

# OHIO FARM REPORT



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**FEATURING:** Crop Production Farm Expenditures Ag Prices Supply/Demand

## OHIO CORN AND SOYBEAN YIELDS FORECASTED HIGHER DUE TO BENEFICIAL AUGUST RAINS

Based on a September 1 yield survey, Ohio **corn** and soybean yields are forecasted higher than they were the previous month due to beneficial August rains. The State's average **corn** yield is forecast at 141 bushels per acre, up six bushels from the August 1 forecast but 17 bushels below last year's record State yield of 158 bushels per acre. Total corn production in the Buckeye State is expected to total 454 million bushels. Nearly an 8 percent drop from the previous year. Growers expect to harvest 3.22 million acres for grain in 2005, compared to 3.11 million harvested the previous year. Ohio's average **soybean** yield is forecast at 44 bushels per acre, up two bushels from the August 1 forecast, but three bushels below the State's 2004 average yield of 47 bushels per acre. If realized, this yield would result in a total production of 194.9 million bushels, a 6 percent decrease from the previous year. The State's soybean growers expect to harvest 4.43 million acres in 2005 compared to 4.42 million in 2004. Ohio **tobacco** yields are forecast at 1,950 pounds per acre, down slightly from the 2004 average State yield of 1,960. Total State production is forecast at 5.85 million pounds, down 47 percent from the previous year, and a direct result of the large decline in harvested acreage from a year ago.

### U.S. Corn Production Up 3 Percent from August Forecast, Soybean Production Up 2 Percent

U.S. corn production is forecast at 10.6 billion bushels, up 3 percent from last month but 10 percent below 2004. If realized, this would be the second largest crop on record. Based on conditions as of September 1, yields are expected to average

143.2 bushels per acre, up 4.0 bushels from August but 17.2 bushels below the record high last year. Forecast yields are down from the previous year in all Corn Belt States except Michigan and Wisconsin. Compared with last year, the largest yield decreases are expected in Missouri, Illinois, Kentucky, and New Jersey. Farmers expect to harvest 74.3 million acres of corn for grain, down 50,000 acres from August but up 1 percent from 2004. **U.S. soybean** production is forecast at 2.86 billion bushels, up 2 percent from the August forecast but down 9 percent from the record crop of 2004. Based on September 1 conditions, yields are expected to average 39.6 bushels per acre, up 0.9 bushel from August. Adequate moisture across most of the Corn Belt and the Great Plains by the end of the month was a relief for many dry areas, including most of the drought-stricken areas of Illinois and Missouri. **U.S. all tobacco** production is forecast at 644 million pounds, 5 percent below the August 1 forecast and down 27 percent from 2004. If realized, this would be the smallest crop since 1889. Area for harvest is forecast at 307,010 acres, 3 percent below last month and down 25 percent from 2004. Yields for 2005 are expected to average 2,099 pounds per acre, 38 pounds lower than the August forecast and 56 pounds below a year ago. **Burley production** is expected to total 192 million pounds, down 6 percent from the August forecast and 34 percent less than last year. Burley growers plan to harvest 105,300 acres, 2 percent below last month and down 31 percent from a year ago. Yields are expected to average 1,826 pounds per acre, 67 pounds below the August forecast and down 82 pounds from 2004.

### OHIO AND UNITED STATES, SEPTEMBER 1, 2005, WITH COMPARISONS

OHIO AND UNITED STATES, SEPTEMBER 1, 2005, WITH COMPARISONS							
CROP	Harvested Acres		UNIT	Yield Per Acre		Production	
	2004	2005		2004	2005	2004	2005
Thousands			Thousands				
OHIO							
Corn for Grain	3,110	3,220	bu.	158.0	141.0	491,380	454,020
Soybeans for Beans	4,420	4,430	bu.	47.0	44.0	207,740	194,920
Winter Wheat	890	830	bu.	62.0	70.0	55,180	58,100
Oats	50	60	bu.	63.0	61.0	3,150	3,660
Alfalfa Hay	470	520	ton	3.20	3.50	1,540	1,820
All Other Hay	720	720	ton	2.40	2.40	1,728	1,728
Tobacco, All	5.6	3.0	lb.	1,960	1,950	10,976	5,850
Apples	-	-	lb.	-	-	90,000	88,000
Grapes	-	-	ton	-	-	4.8	7.4
UNITED STATES							
Corn for Grain	73,632	74,318	bu.	160.4	143.2	11,807,217	10,638,661
Soybeans for Beans	73,958	72,184	bu.	42.5	39.6	3,140,996	2,856,449
Winter Wheat	34,462	34,271	bu.	43.5	44.4	1,499,434	1,520,848
Oats	1,792	1,976	bu.	64.7	64.7	115,935	127,819
Alfalfa Hay	21,707	22,118	ton	3.47	3.34	75,383	73,849
All Other Hay	40,209	39,605	ton	2.05	1.92	82,391	76,068
Tobacco, All	408.0	307.0	lb.	2,155	2,099	879,227	644,278
Apples	-	-	lb.	-	-	10,419,900	9,837,100
Grapes	-	-	ton	-	-	6,231.7	6,800.9

**Corn for Grain: Plant population per Acre, Selected States, 2001-05**

State	Month	2001	2002	2003	2004	2005
		Number	Number	Number	Number	Number
IL	Sept	26,750	26,400	27,150	27,750	28,000
	Nov	26,650	26,350	27,050	27,700	-
IN	Sept	26,100	25,350	26,050	26,650	25,300
	Nov	25,950	25,300	25,900	26,500	-
IA	Sept	26,500	26,850	27,400	28,000	28,050
	Nov	26,450	26,700	27,250	27,850	-
MN	Sept	28,050	26,950	28,700	29,300	28,400
	Nov	28,000	26,800	28,800	29,250	-
NE	Sept	22,750	23,250	23,800	24,100	23,900
	Nov	22,750	23,350	23,700	24,050	-
OH	Sept	26,150	24,850	25,900	26,950	25,650
	Nov	26,050	24,400	25,900	26,650	-
WI	Sept	26,800	26,550	27,300	27,700	27,400
	Nov	27,000	26,650	27,100	27,550	-

**MIDWEST PRODUCTION EXPENDITURES UP 6.8 PERCENT IN 2004**

Farm production expenditures in the Midwest Region totaled 59.9 billion, up 6.8 percent from 2003 according to the National Agricultural Statistics Service (NASS), USDA. In the Midwest region, 15 of the 16 expenditure categories increased from the 2003 level. The categories containing the largest expenditure increases from 2003 to 2004 were: tractors & self-propelled farm machinery (up 35.9 percent), fuels (up 21.3 percent), fertilizer, lime, and soil conditioners (up 17.8 percent), other farm machinery (up 17.0 percent), labor (up 9.8 percent), feed (up 6.8 percent), farm improvements & construction (up 6.6 percent), seeds and plants (up 4.9 percent), livestock, poultry and related expenses (up 4.7 percent), and trucks and autos (up 4.5 percent). Only one expenditure category decreased from 2003 to 2004: agricultural chemicals (down 0.3 percent). The Midwest's largest expense items in 2004 were rent (12.1 percent), feed (12.0 percent), farm services (10.1 percent), livestock, poultry, and related expenses (7.5 percent) and fertilizer, lime and soil conditioners (7.4 percent).

The average expenditures per Midwest Region's farm in 2004 were \$97,446 compared to \$91,070, for 2003. On the average, Midwest Region farm operations in 2004 spent \$11,744 on rent; \$11,711 on feed; \$9,841 on farm services; \$7,319 on livestock, poultry and related expenses; and \$7,222 on fertilizer, lime, and soil conditioners. The

estimates for 2003 indicated that Midwest region farms spent an average of \$11,528 on rent; \$10,943 on feed; \$9,726 on farm services; \$6,982 on livestock, poultry and related expenses; and \$6,121 on fertilizer, lime, and soil conditioners.

U.S. farm production expenditures totaled \$210.7 billion in 2004, up 5.1 percent from the revised 2003 total of \$200.5 billion. The largest contributors to the increase were tractors and self-propelled farm machinery up 24.3 percent; fuels, up 19.4 percent; fertilizer, up 14.0 percent; feed, up 9.1 percent and farm improvements and construction, up 6.0 percent. The largest two expenditure categories were feed, which accounted for 14.2 percent of the U.S. total production expenses and farm services which accounted for 12.5 percent of the U.S. total production expenses.

The average expenditures per U.S. farm in 2004 were \$99,983 compared to \$94,542 as revised for 2003. On the average, U.S. farm operations in 2004 spent \$14,236 on feed; \$12,480 on farm services; \$10,914 on labor; \$9,016 on livestock and poultry purchases; and \$7,782 on rent. Revised estimates for 2003 indicated U.S. farms spent an average of \$12,967 on feed; \$12,684 on farm services; \$10,279 on labor; \$8,723 on livestock and poultry purchases; and \$7,733 on rent.

**2003 & 2004 Regional and United States Farm Production Expenditures**

Midwest Region (IL, IN, IA, MI, MN, MO, OH and WI)	Midwest Region		U.S. 1/	
	2003	2004	2003	2004
	Million Dollars			
Total Farm Production Expenditures 2/ 3/	56,090	59,910	200,500	210,700
Livestock, Poultry & Related Expenses 4/	4,300	4,500	18,500	19,000
Feed	6,740	7,200	27,500	30,000
Farm Services 5/	5,990	6,050	26,900	26,300
Rent 6/	7,100	7,220	16,400	16,400
Agricultural Chemicals 7/	2,910	2,900	8,400	8,500
Fertilizer, Lime & Soil Conditioners 7/	3,770	4,440	10,000	11,400
Interest	2,880	2,930	9,300	8,900
Taxes (Real Estate & Property)	2,490	2,500	6,800	7,000
Labor	3,460	3,800	21,800	23,000
Fuels	1,780	2,160	6,700	8,000
Farm Supplies & Repairs 8/	3,120	3,220	11,000	11,600
Farm Improvements & Construction 9/ 10/	3,190	3,400	11,800	12,600
Tractors & Self-Propelled Farm Machinery	2,060	2,800	7,000	8,700
Other Farm Machinery	1,350	1,580	3,900	4,300
Seeds & Plants 11/	3,660	3,840	9,400	9,500
Trucks & Autos	1,110	1,160	4,500	4,800

1/ Excludes AK & HI. 2/ Total includes production costs not allocated to any of the 16 expense categories published. 3/ Includes landlord and contractor share of farm production expenses. 4/ Includes purchases and leasing of livestock and poultry. 5/ Includes all crop custom work, veterinary services, custom feeding, transportation costs, marketing charges, insurance, leasing of machinery and equipment, miscellaneous business expenses, and utilities. 6/ Includes public and private grazing fees. 7/ Includes material and application costs. 8/ Includes bedding and litter, marketing containers, power farm shop equipment, miscellaneous non-capital equipment and supplies, repairs and maintenance of livestock and poultry equipment, and capital equipment for livestock and poultry. 9/ Includes all expenditures related to new construction or repairs of buildings, fences, operator dwelling (if dwelling is owned by operation), and any improvements to physical structures of land. 10/ Changed to include operator dwelling expenses (if dwelling is owned by operation) in 2003. 11/ Excludes bedding plants, nursery stock, and seed purchased for resale. Includes seed treatment.

# OHIO GRAIN AND SOYBEAN PRICES DECLINE IN AUGUST

Ohio's August winter wheat price of \$2.97 is down 21 cents from July and five cents below the price received at the same time last year. Corn at \$1.93 is down 28 cents from July, and 43 cents below the \$2.36 per bushel price received in August 2004. The August soybean price of \$6.23 is down 57 cents from July, and 26 cents less than was received at the same time last year. The alfalfa hay price in August of \$137.00 per ton is up \$7.00 per ton from July and \$17.00 per ton higher than was received in August 2004. Other hay at \$71.00 per ton is down \$4.00 per ton from July but \$12.00 above the price received last year at this time. Ohio's August hog price of \$48.70 per cwt., is down 90 cents per cwt. from July and down \$4.10 from the previous August price of \$52.80. The August sow price of \$38.40 per cwt. is up 80 cents per cwt. from July, but \$5.30 per cwt. lower than at the same time last year. The August barrow and gilt price of \$49.40 per cwt. is down \$1.00 from the previous month, and \$3.80 lower than was received in August 2004. Beef cattle prices in Ohio averaged \$77.00 per cwt. in August, down 90 cents per cwt. from July and \$1.00 per cwt. lower than the previous August. The steer and heifer price of \$80.00 per cwt. declined 90 cents from July and is \$1.40 lower than in August of 2004. The August cow price of \$49.50 per cwt. is down \$1.50 from July, but is \$2.40 higher than at the same time last year.

Calves, at \$115.00 per cwt. are down \$3.00 from the previous month, but \$2.00 per cwt. higher than they were a year ago. The August milk price of \$15.30 per cwt. is down 10 cents per cwt. from July and 20 cents lower than the August 2004 price of \$15.50 per cwt. The August egg price of 28 cents per dozen is down 7.3 cents from July, and 3.9 cents less than the August 2004 price of 31.9 cents.

The preliminary All Farm Products Index of Prices Received by Farmers in August, at 117, based on 1990-92=100, decreased 1 point (0.8 percent) from July. The Crop Index is down 2 points (1.7 percent) while the Livestock Index decreased 1 point (0.8 percent). Producers received lower commodity prices for corn, soybeans, eggs, and sweet corn. Higher prices were received for lettuce, peaches, strawberries, and turkeys. The overall index is also affected by the seasonal change based on a 3-year average mix of commodities a producer sells. Increased average marketings of cattle, grapes, sweet corn, and calves offset decreased marketings of wheat, hay, milk, and broilers. Preliminary All Farm Products Index is down 3 points (2.5 percent) from August 2004. The Food Commodities Index, at 120, is unchanged from last month but decreased 3 points (2.4 percent) from August 2004.

## AGRICULTURAL PRICES, OHIO AND UNITED STATES , AUGUST 2005 WITH COMPARISONS

Commodity <sup>1/</sup>	Unit	OHIO			US
		August 2004	July 2005	August 2005	August 2005
Winter Wheat	Bu.\$	3.02	3.18	2.97	3.11
Corn	Bu.\$	2.36	2.21	1.93	1.89
Soybeans	Bu.\$	6.49	6.80	6.23	6.09
Oats	Bu.\$	1.75	1.90	5/	1.53
All Hay <sup>2/</sup>	Ton \$	101.00	110.00	117.00	99.70
Alfalfa hay	Ton \$	120.00	130.00	137.00	109.00
Other Hay	Ton \$	59.00	75.00	71.00	74.80
Potatoes	Cwt \$	7.05	6/	6/	7.51
Apples	Lb.\$	0.320	5/	0.350	0.202
Hogs	Cwt \$	52.80	49.60	48.70	50.00
Sows	Cwt \$	43.70	37.60	38.40	38.60
Barrows & Gilts	Cwt \$	53.20	50.40	49.40	50.50
All Beef	Cwt \$	78.00	77.90	77.00	84.70
Cows	Cwt \$	47.10	51.00	49.50	51.90
Steers & heifers	Cwt \$	81.40	80.90	80.00	88.00
Calves	Cwt \$	113.00	118.00	115.00	131.00
Sheep	Cwt \$	40.60	43.60	-	-
Lambs	Cwt \$	87.80	100.00	-	-
Milk sold to plants	Cwt \$	15.50	15.40	15.30	14.70
Milk for fluid use	Cwt \$	15.50	15.40	-	14.80
Milk of mfg. grade	Cwt \$	14.50	14.50	-	14.00
Eggs <sup>3/</sup>	Doz \$	0.319	0.353	0.280	0.257

### FEED PRICE RATIOS

Hog-corn ratio <sup>4/</sup>	22.4	22.4	25.2	26.5
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1/ Monthly average except for current month. 2/ Mid-month price for all months. 3/ Fresh market (table ) eggs. 4/ Bushels of corn equal in value to 100 pounds of hogs live weight. 5/ Insufficient sales to establish a price. 6/ Estimates discontinued in 2005.

SEPTEMBER U.S. SUPPLY AND DEMAND <sup>1/</sup>						
	Corn		Wheat		Soybeans	
	2004/05	2005/06 <sup>2/</sup>	2004/05	2005/06 <sup>2/</sup>	2004/05	2005/06 <sup>2/</sup>
Million Bushels						
Beginning Stocks	958	2,125	546	540	112	295
Production	11,807	10,639	2,158	2,167	3,141	2,856
Imports	10	10	71	80	5	4
Total Supply	12,775	12,774	2,775	2,787	3,258	3,155
Domestic Use	8,840	8,695	1,173	1,188	1,868	1,835
Exports	1,810	2,000	1,063	975	1,095	1,115
Total Use	10,650	10,695	2,235	2,163	2,963	2,950
Ending Stocks, Total	2,125	2,079	540	624	295	205
Average Price (\$/bu.)	2.06	1.70-2.10	3.40	3.00-3.40	5.75	5.15-6.05

1/ From World Agricultural Supply and Demand Estimates, ERS, FAS, USDA. 2/ Projected.

U.S. INDEX SUMMARY TABLE				
Index 1990-92=100	2004		2005	
	July	August	July	August
Prices Received	124	120	118	117
Prices Paid	135	135	141	141
Ratio <sup>1/</sup>	92	89	84	83

1/ Ratio of index of prices received by farmers to index of prices paid.

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